

February 20, 2001

Mr. Jon Feipel  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701

Dear Mr. Feipel:

The Commission's Order in Docket No. 98-0866 regarding the merger of Bell Atlantic/GTE, Merger Condition #2 states "BA/GTE shall participate in a collaborative process with the Commission and CLECs to tailor GTE's proposed OSS measurement, reporting and incentive plan, as described in the record, to Illinois' needs. The collaborative process must also result in a recommended dispute resolution methodology, including Commission enforcement policies. The collaborative process should commence within 30 days of merger closure and should be completed within 6 months of commencement."

The Ordered Collaborative started with an initiating conference call on July 20, 2000, which places the Collaborative ending date on January 20, 2001. Since that date was a Saturday, the Collaborative Participants agreed that January 22, 2001 was the official ending date of the Collaborative. My letter to you dated January 22, 2001 informed you of Verizon's compliance with Merger Condition #2. In addition, the January 22, 2001 letter set forth February 20, 2001 as the date for issuance of the Verizon Final Collaborative Report.

Collaborative Meetings were held on:

- August 2 and 3, 2000
- August 28 and 29, 2000
- September 26 and 27, 2000
- October 24, 2000
- December 5, 2000
- January 11, 2001

Minutes for these meetings, and other information about the Collaborative can be found on the ICC Web Site at <http://www.icc.state.il.us/icc/tc/bg.asp>. The parties also held telephone conferences and shared documentation throughout the Collaborative.

The attached documents constitute the Verizon Final Collaborative Report. Please note that while this Report takes into account the collaborative participants' input, it reflects, after compromise by all parties on several issues, Verizon's resulting OSS plan for Illinois. Following is a list of the attached documents:

- Carrier to Carrier Guidelines (also known as Performance Measures)
- Carrier to Carrier Guidelines - Associated Activities
- Performance Assurance Plan (the Incentive Plan)

Verizon is prepared to begin reporting on the Performance Measures contained in the Carrier to Carrier Plan, as described in the attached document, no later than November 20, 2001. The Performance Assurance Plan's first "performance year" will begin in April 2001. Verizon will issue monthly reports under the Performance Assurance Plan with the first calculation of remedies coming after the June performance month, on approximately July 25, 2001. The first possible payments under the plan would be paid within 30 days of reporting the results.

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Verizon appreciates the efforts of Illinois Commerce Commission (ICC) Staff and the CLECs in this process. Sam McClerren of the ICC Staff led the meetings and maintained the meeting minutes. CLEC participants were McLeodUSA, WorldCOM, AT&T, and the Illinois Rural Competitive Alliance. While all parties did not attain all of their desires, all parties participated by negotiating in good faith.

If you have any questions, please contact Greg Smith at 309.663.3345.

Very truly yours,

James R. Hargrave  
Assistant Vice President-  
Public Policy & External Affairs

C: Mr. Charles Fisher – Illinois Commerce Commission  
Mr. Gene Beyer – Illinois Commerce Commission  
Mr. Sam McClerren – Illinois Commerce Commission  
CLEC Collaborative Participants via e-mail attachment